



China SunSine Chemical Holdings Ltd.

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Company Registration No.: 200609470N

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2012

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A Consolidated Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Consolidated Statement of Comprehensive Income for 4th Quarter Ended 31 December 2012

	4th quarter ended			Full year ended		
	31/12/2012	31/12/2011 (restated*)	Change	31/12/2012	31/12/2011 (restated*)	Change
	RMB 'million			RMB 'million		
			%			%
Revenue	361.0	295.5	22%	1,417.3	1,175.1	21%
Cost of sales	309.9	223.8	38%	1,173.4	881.7	33%
Gross profit	51.1	71.7	(29%)	243.9	293.4	(17%)
Other income	2.6	2.8	(7%)	8.9	10.9	(18%)
Selling and distribution expenses	12.6	11.7	8%	47.0	37.8	24%
Administrative expenses	31.9	30.7	4%	130.9	87.7	49%
Other expenses	4.2	4.8	(13%)	5.7	28.3	(80%)
Finance expenses	3.8	1.8	111%	12.5	5.7	119%
Profit before tax	1.2	25.5	(95%)	56.7	144.8	(61%)
Income tax expenses	2.1	4.4	(52%)	24.7	45.4	(46%)
(Loss)/profit after tax	(0.9)	21.1	(104%)	32.0	99.4	(68%)
Other comprehensive income/(losses):						
Exchange differences on translation, net of tax	0.1	1.1	(91%)	1.2	0.5	140%
Available-for-sales financial assets:						
- Fair value gains	0.3	-	n.m	0.3	-	n.m
- Reclassification to Profit & Loss	(0.6)	-	n.m	(0.6)	-	n.m
Total comprehensive (loss)/income for the period	(1.1)	22.2	(105%)	32.9	99.9	(67%)
Gross profit margin	14.2%	24.3%	(10.1pts)	17.2%	25.0%	(7.8pts)
(Loss)/Earnings per share (RMB cents)	(0.19)	4.41	(104%)	6.85	20.84	(67%)

n.m. - not meaningful

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

Notes to the Consolidated Statement of Comprehensive Income:

1. Profit before tax is arrived at after charging/(crediting) the following:-

	4th quarter ended		Change	Full year ended		Change
	31/12/2012	31/12/2011 (restated*)		31/12/2012	31/12/2011 (restated*)	
	RMB'million		%	RMB'million		%
Interest income	(0.5)	(0.3)	67%	(1.2)	(1.7)	(29%)
Interest on borrowing	3.8	1.8	111%	12.5	5.7	119%
Depreciation of property, plant and equipment	24.4	7.5	225%	62.8	27.2	131%
Amortisation of land use rights	0.1	0.2	(50%)	0.5	0.6	(17%)
(Reversal)/Allowance for Impairment on receivables	(1.0)	(0.4)	150%	(0.5)	0.1	(600%)
Foreign exchange loss	1.5	3.1	(52%)	1.4	6.1	(77%)
Impairment loss on land use rights	-	4.8	n.m	-	4.8	n.m
Impairment loss on property, plant and equipment	-	(0.4)	n.m	-	18.3	n.m
Reversal of impairment loss on property, plant and equipment	-	(1.5)	n.m	-	(6.6)	n.m

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

[Empty Below]

1(b)(i) A Statements of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	<u>GROUP</u>		<u>COMPANY</u>	
		31/12/2012	31/12/2011 (restated*)	31/12/2012	31/12/2011 (restated*)
		RMB' million	RMB' million	RMB' million	RMB' million
ASSETS					
NON-CURRENT ASSETS					
Investment in a subsidiary		-	-	350.0	350.0
Property, plant and equipment	(1)	399.3	422.9	-	-
Land use rights		26.2	26.7	-	-
Available-for-sale financial assets	(4)	-	9.5	-	9.5
		425.5	459.1	350.0	359.5
CURRENT ASSETS					
Inventories	(2)	142.4	147.9	-	-
Trade receivables	(3)	403.5	276.9	-	-
Other receivables, deposits and prepayment		39.3	42.6	-	0.1
Amount owing from a subsidiary		-	-	10.6	20.4
Available-for-sale financial assets	(4)	10.3	4.9	10.3	4.9
Cash and cash equivalents		105.0	118.6	5.6	16.8
		700.5	590.9	26.5	42.2
TOTAL ASSETS		1,126.0	1,050.0	376.5	401.7
Share capital		313.5	313.5	313.5	313.5
Treasury shares		(28.2)	(14.5)	(28.2)	(14.5)
Fair Value Reserve		-	0.3	-	0.3
Merger reserve		0.3	0.3	-	-
Statutory reserves		116.6	100.9	-	-
Exchange on translation		(5.3)	(6.5)	(4.9)	(6.3)
Retained profits		364.1	370.9	88.9	100.8
TOTAL EQUITY		761.0	764.9	369.3	393.8
LIABILITIES					
CURRENT LIABILITIES					
Trade payables		46.5	45.5	-	-
Other payables and accruals	(5)	90.0	92.0	4.5	5.3
Deferred grant		-	0.6	-	-
Bank loans	(6)	200.0	140.0	-	-
Current tax payable		28.5	7.0	2.7	2.6
TOTAL LIABILITIES		365.0	285.1	7.2	7.9
TOTAL EQUITY AND LIABILITIES		1,126.0	1,050.0	376.5	401.7

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
RMB'million	RMB'million	RMB'million	RMB'million
-	200.0	-	140.0

Details of any collateral

No collateral

Notes to Statements of Financial Position

Note (1) Property, plant and equipment (PPE) decreased by RMB 23.6 million from RMB 422.9 million to RMB 399.3 million due to RMB 39.2 million for purchase of capital equipment less RMB 62.8 million of depreciation.

Note (2) Inventories decreased by RMB 5.5 million from RMB 147.9 million to RMB 142.4 million mainly due to the reduced holding of certain finished goods as 31 December 2012.

Note (3) Trade receivables increased by RMB 126.6 million from RMB 276.9 million to RMB 403.5 million due to higher sales in 4QFY2012 compared to 4QFY2011. However, trade receivables included notes receivables provided by trade debtors which were promissory notes issued by the local banks. Consequently, the risks of non-recoverability of these notes receivables by local banks are significantly lower than those amounts owing by trade debtors. As at 31 December 2012 and 31 December 2011, the notes receivables were RMB 148.9 million and RMB 67.2 million, respectively. Excluding the notes receivables, the trade receivables from trade debtors would have increased by RMB 45.0 million from RMB 209.7 million to RMB 254.6 million.

Note (4) Available-for-sales financial assets decreased by RMB 4.1 million from RMB 14.4 million to RMB 10.3 million due to the maturity of a SGD 1.0 million capital-protected investment in October 2012.

Note (5) Other payables decreased by RMB 2.0 million from RMB 92.0 million to RMB 90.0 million as most of the outstanding payments to building contractors for the construction projects were settled. This was partially offset by higher accruals for social insurance.

Note (6) Bank loans increased by RMB 60.0 million from RMB 140.0 million to RMB 200.0 million as higher working capital was required for the production of 6PPD as well as the increase in production of accelerators.

1(c) **A Consolidated Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows

Note	4th quarter ended		12 months ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	(restated*)		(restated*)	
	RMB'million		RMB'million	
Cash flows from operating activities				
Profit before tax	1.2	25.4	56.7	144.9
Adjustments for:-				
Depreciation of property, plant and equipment (PPE)	24.4	7.5	62.8	27.2
Amortisation of land use rights	0.1	0.2	0.5	0.6
(Reversal)/Allowance for Impairment on receivables	(1.1)	(0.4)	(0.5)	0.1
Investment Income - AFS	(0.6)	-	(0.6)	-
Interest income	(0.5)	(0.2)	(1.2)	(1.6)
Interest expense	3.8	1.8	12.5	5.7
Translation difference	1.3	5.8	0.8	1.3
Impairment loss of land use rights	-	4.8	-	4.8
Impairment loss of PPE	-	(0.4)	-	18.3
Reversal of impairment loss of PPE	-	(1.5)	-	(6.6)
Operating profit before working capital changes	28.6	43.0	131.0	194.7
Changes in working capital:				
Inventories	(24.7)	(56.0)	5.5	(70.5)
Trade and other receivables	27.0	17.4	(122.7)	(14.7)
Trade and other payables and accruals	(21.0)	(2.6)	(1.1)	17.0
Cash deposit released from bank	10.9	16.9	0.9	1.1
Cash generated from operations	20.8	18.7	13.6	127.6
Income taxes paid	(2.7)	(14.4)	(3.4)	(44.5)
Net cash generated from operating activities	(1)	18.1	4.3	10.2
Cash flows from investing activities				
Purchase of plant and equipment and additional CIP	(11.9)	(37.4)	(43.8)	(137.3)
Interest income received	0.5	0.2	1.2	1.6
Proceed from sales of AFS financial assets	4.9	-	4.9	-
Purchase of land use rights	-	-	-	(12.9)
Net cash used in investing activities	(2)	(6.5)	(37.2)	(148.6)
Cash flows from financing activities				
Interest expense paid	(3.8)	(1.8)	(12.5)	(5.7)
Dividend paid	-	-	(23.1)	(25.2)
Grant received	-	0.8	4.0	2.6
Repayment of bank borrowings	(140.0)	-	(290.0)	(60.0)
Purchase of Treasury Shares	-	(1.5)	(13.7)	(1.5)
Proceeds from bank loan	120.0	30.0	350.0	110.0
Net cash generated (used in)/generated from financing activities	(3)	(23.8)	27.5	14.7
Net decrease in cash and cash equivalents balances				
	(12.2)	(5.4)	(12.8)	(45.3)
Cash and cash equivalents at beginning of period/year	84.1	90.1	84.7	130.0
Cash and cash equivalents at end of period/year	71.9	84.7	71.9	84.7
Cash and bank balances at end of period/year includes the followings				
Cash and cash equivalents	105.0	118.6	105.0	118.6
Cash deposit pledged with bank	(33.1)	(33.9)	(33.1)	(33.9)
Cash and bank balances at end of period/year	71.9	84.7	71.9	84.7

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

Notes to Consolidated Statement of Cash flows for 4QFY2012

- (1) Net cash generated from operating activities amounting to RMB 18.1 million was due mainly to lower profit.
- (2) Net cash used in investing activities amounting to RMB 6.5 million was mainly due to the payment for capital equipment.
- (3) Net cash used in financing activities amounted to RMB 23.8 million as drawdown of RMB 120.0 million loans were offset by the repayment of RMB 140.0 million existing bank loans.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited Statements of Changes in Equity

GROUP

	Share Capital	Treasury Shares	Statutory, Merger, Exchange reserves	Retained Earnings	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Balance as at 1 January 2012	313.5	(14.5)	95.0	370.9	764.9
Total Comprehensive Income for the year	-	-	0.9	32.0	32.9
Dividend paid	-	-	-	(23.1)	(23.1)
Transfer to statutory reserve	-	-	15.7	(15.7)	-
Shares buyback-held in treasury	-	(13.7)	-	-	(13.7)
Balance as at 31 December 2012	313.5	(28.2)	111.6	364.1	761.0
Balance as at 1 January 2011	313.5	(13.0)	65.1	326.1	691.7
Total Comprehensive Income for the year (restated*)	-	-	0.5	99.4	99.9
Dividend paid	-	-	-	(25.2)	(25.2)
Transfer to statutory reserve	-	-	29.4	(29.4)	-
Shares buyback-held in treasury	-	(1.5)	-	-	(1.5)
Balance as at 31 December 2011	313.5	(14.5)	95.0	370.9	764.9

COMPANY

	Share Capital	Treasury Shares	Statutory, Merger, Exchange reserves	Retained Earnings	Total
	RMB'million	RMB'million	RMB'million	RMB'million	RMB'million
Balance as at 1 January 2012	313.5	(14.5)	(6.0)	100.8	393.8
Total Comprehensive Income for the year	-	-	1.1	11.2	12.3
Dividend paid	-	-	-	(23.1)	(23.1)
Share buyback-held in treasury	-	(13.7)	-	-	(13.7)
Balance as at 31 December 2012	313.5	(28.2)	(4.9)	88.9	369.3
Balance as at 1 January 2011	313.5	(13.0)	(5.4)	84.4	379.5
Total Comprehensive Income for the year	-	-	(0.6)	41.6	41.0
Dividend paid	-	-	-	(25.2)	(25.2)
Share buyback-held in treasury	-	(1.5)	-	-	(1.5)
Balance as at 31 December 2011	313.5	(14.5)	(6.0)	100.8	393.8

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares*	Resultant issued and paid up share capital S\$
As at 1 January 2012	476,096,000	59,589,547
Share buyback – held as treasury	(10,592,000)	(2,732,703)
Balance as at 31 December 2012	465,504,000	56,856,844
As at 1 January 2011	477,357,000	59,900,882
Share buyback – held as treasury	(1,261,000)	(311,335)
Balance as at 31 December 2011	476,096,000	59,589,547

There are no outstanding convertibles issued by the Company as at 31 December 2012.
*Number of issued shares excludes 26,190,000 treasury shares (FY2011: 15,598,000, FY2010: 14,337,000)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

See above table.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

See above table. There is no sale, transfer, disposal, cancellation of treasury shares at the end of 4QFY2012. Total number of treasury shares at end 4QFY2012 stands at 26,190,000.

[Note – The disclosures required in 1(d)(ii), (iii) and (iv) may be made in form of statement paragraphs or, in tabular form.]

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ("FY") ended 31 December 2011 except for the adoption of the new and revised Financial Reporting Standards which became effective for the financial period beginning on or after 1 January 2012. The adoption of these new and revised accounting standards did not give rise to any significant impact on the financial statements for the financial year ended 31 December 2012.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

None

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	4Q2012 RMB	4Q2011 RMB (restated*)	FY2012 RMB	FY2011 RMB (restated*)
Basic (Loss)/earnings per share (Basic EPS' cents) - based on weighted average number of shares on issue	(0.19)	4.41	6.85	20.84
The calculations of EPS is based on net profit and number of shares shown below: (Loss)/profit attributable to equity holders (RMB'000)	(877)	21,100	32,007	99,430
Weighted average number of shares applicable to basic EPS ('000)	465,504	476,692	467,282	477,189

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive securities as at 31 December 2012.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31/12/2012	31/12/2011 (restated*)	31/12/2012	31/12/2011 (restated*)
Net asset attributable to shareholders (RMB'000)	761,039	764,883	369,242	393,812
Net asset value per ordinary share (RMB cents)***	163.49	160.66	79.32	82.72
Number of issued shares ** ('000)	465,504	476,096	465,504	476,096

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

** number of issued shares excludes treasury shares

*** equivalent to 31.67 SGD cents at exchange rate of 5.1622 as at 31 December 2012

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

RMB million	4Q2012	4Q2011 (restated*)	Change	FY2012	FY2011 (restated*)	Change
Group Revenue	361.0	295.5	22%	1,417.3	1,175.1	21%
Gross Profit	51.1	71.7	(29%)	243.9	293.4	(17%)
Profit before tax	1.2	25.5	(95%)	56.7	144.8	(61%)
Net profit	(0.9)	21.1	(104%)	32.0	99.4	(68%)

* Restated figures relate to financials after accounting for the prior year adjustments as stated in the Company's announcement dated 21 February 2013

Commentaries on performance

Revenue in 4QFY2012 increased by 22% to RMB 361.0 million as compared to RMB 295.5 million in 4QFY2011 due to the increase in our sales volume offset by the slight decrease in average selling price. Sales volume improved 30% to 21,190 tons as compared to 16,292 tons in 4QFY2011 due to increased demand and increased marketing efforts.

Overall average selling price (ASP) for all products decreased by 6% to RMB 17,038 per ton in 4QFY2012 as compared to RMB 18,136 per ton in 4QFY2011. The decrease in ASP was in line with the Group's marketing strategy to expand its market share in the current challenging operating environment. On a quarter to quarter comparison, the ASP was RMB 17,210 in 3Q2012. On 12-month basis, the ASP decreased by 10% to RMB 17,418 per ton in FY2012 as compared to RMB 19,293 per ton in FY2011.

	Sales Volume (Tons)				Sales (RMB' million)			
	4Q12	4Q11	FY12	FY11	4Q12	4Q11	FY12	FY11
Accelerators	15,892	13,030	64,252	50,148	292.4	255.4	1,196.0	1,040.4
Insoluble sulphur	3,194	2,677	10,724	7,873	35.8	30.3	121.2	90.4
Anti-oxidant	1,842	330	5,183	2,061	28.2	4.5	76.9	27.1
Others	262	255	1,212	825	4.6	5.3	23.2	17.2
Total	21,190	16,292	81,371	60,907	361.0	295.5	1,417.3	1,175.1
Domestic Sales	15,635	11,516	56,033	38,846	249.9	191.8	902.5	686.4
International sales	5,555	4,776	25,338	22,061	111.1	103.7	514.8	488.7

Sales volume across all products increased due to the Group's ability to increase its production capacity to meet the increased demand given its marketing and pricing strategies. The Group also gained market share in the domestic market despite the slowdown in auto sales in China and the overcapacity situation facing the rubber chemicals industry. International sales volume increased mainly due to improved sales to the US market.

Gross profit decreased by 29% from RMB 71.7 million in 4QFY2011 to RMB 51.1 million in 4QFY2012, as the Gross Profit Margin ("GPM") decreased 10.1pts from 24.3% to 14.2%. The decrease in GPM was due to the reduction in ASP as well as increase in the cost of raw materials such as Aniline, the main raw material for accelerators. Unit cost of Aniline had increased 27% in 4QFY2012 as compared to 4QFY2011 as the cost of its raw material, Benzene, increased due to increased demand.

On a 12-month basis, gross profit decreased by 17% from RMB 293.4 million in 4QFY2011 to RMB 243.9 million in FY2012 as the GPM decreased 7.8pts from 25.0% to 17.2%. This was caused by the reduction in ASP and increase in raw material cost.

Other operating income decreased by 7% from RMB 2.8 million in 4QFY2011 to RMB 2.6 million in 4QFY2012 due to lower interest income and lower sales of scrap materials.

Selling and distribution expenses increased by 8% from RMB 11.7 million in 4QFY2011 to RMB 12.6 million in 4QFY2012, as revenue increased. On a 12-month basis, the 24% increase in expenses was in line with the increase in sales.

Administrative expenses increased by 4% from RMB 30.7 million in 4QFY2011 to RMB 31.9 million in 4QFY2012, mainly due to:

- RMB 5.8 million of additional depreciation as most of the Construction in-progress projects have been recapitalized as Fixed Assets and commenced depreciation;
- RMB 1.8 million increase in living allowance expense and partially offset by RMB 6.8 million reduction in Research & Development expense as the Group commenced the commercial production of 6PPD in 2QFY2012.

On a 12-month basis, administrative expenses increased by 49% from RMB 87.7 million in FY2011 to RMB 130.9 million in FY2012 mainly due to:

- RMB 15.4 million of additional depreciation as the various common facilities such as office buildings and R&D centre in Shanxian and Weifang were completed in 2QFY2011;

- RMB 13.5 million of additional research and development expenses of which RMB 9.3 million was related to the trial production of 6PPD as disclosed in the Second Quarter Results Announcement dated 30 July 2012;
- RMB 8.6 million of additional accruals for social insurance, namely retirement, medical, injury, unemployment and pregnancy insurance; and
- Additional operating expenses as the Group increased its production scale in Shanxian and Weifang facilities in FY2012.

Other operating expenses amounting to RMB 4.2 million mainly consisted of RMB 0.9 million realised transactional exchange losses, and RMB 3.0 million donations to charitable organizations. For FY2011, other operating expenses amounting to RMB 28.3 million consisted mainly of RMB 6.1 million realised transactional exchange losses and a RMB 18.3 million of plant and equipment impairment due to the closure of old facility in Shanxian City.

Profit before tax (PBT) decreased by 95% from RMB 25.5 million in 4QFY2011 to RMB 1.2 million in 4QFY2012 mainly due to the reduction in GPM. On a 12-month basis, the PBT decreased by 61% from RMB 144.8 million in FY2011 to RMB 56.7 million in FY2012 as the decrease in GPM and increase in operating expenses were partially offset by increase in revenue.

Net profit attributable to shareholders decreased by 68% from RMB 99.4 million in FY2011 to RMB 32.0 million in FY2012 due to the decrease in gross profit and increase in operating expenses.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or prospect statement was made.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 2012, the PRC economy grew at 7.8%¹, the slowest growth rate since 1999. However, the PRC economy's fourth quarter growth quickened to 7.9%, snapping seven straight quarters of weak expansion. The fourth quarter growth was backed by strong trade data as well as improving consumption and investments figures. Auto sales rose 4.3% in 2012, reaching another record high of 19.31² million. With the rapid increase of the middle class population, auto sales are likely to increase despite the policies to discourage car ownership. While the Euro zone economies continue to grapple with austerity measures, the US economy has shown signs of recovery as our sales in USA picked up, offsetting the drop in sales to the Euro zone area.

As the rubber chemicals industry has been facing overcapacity generally, our market becomes more and more challenging to operate in as we also face increases in the cost of raw materials. Thus, gross profit margin has reduced while we seek to further expand our market share. Nevertheless, the Group remains positive on the outlook for its domestic market given its established track record, healthy cashflows and portfolio of quality products.

Status Update

During FY2012, the Group has completed the following projects:

- Successfully completed the trial production of 4ADPA³, an intermediary material of 6PPD in March;
- Completed 4,000-ton MBTS plant at Weifang facility in March;
- Successfully completed the trial production of 6PPD in June. All major customers have been given samples; and
- Completed 6,000-ton CBS plant and trial production at Weifang facility in June.

¹ Source: National Bureau of Statistics

² Source: China Association of Automobile Manufacturers

³ Known as 4-Aminodiphenylamine

The Group has been liaising with major customers on the accreditation of 6PPD. So far it has received accreditation from some PRC customers. The Group will continue its efforts on achieving successful accreditation for the rest of its customers.

Moving forward in FY2013, the Group intends to complete a new 4,000-ton DPG plant at Weifang facility in the third quarter.

Below is a summary of our estimated Annual Capacity⁴ at the end of each financial year:

Tons	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013e
Accelerators	39,000	50,000	55,000	56,500	56,500	66,500	70,500
Insoluble Sulphur	5,000	5,000	8,000	10,000	10,000	10,000	10,000
Anti-oxidant	-	5,000	10,000	10,000	25,000	25,000	25,000
Total	44,000	60,000	73,000	76,500	91,500	101,500	105,500

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Proposed Final
Dividend Type	Cash
Dividend amount per share	SGD0.01 per ordinary share
Tax Rate	One-tier Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

S\$0.01 per ordinary share was declared in 4Q2011.

(c) Date payable

To be announced at a later date

(d) Books closure date

To be announced at a later date

(e) Last cum-dividend Trading Date

To be announced at a later date

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

None

⁴ Annual Capacity excludes capacity of intermediary materials such as 4ADPA and MBT

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group is substantially in one business segment, namely the production and sale of rubber chemicals. For geographical segment information, we provide different export markets.

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are principally attributable to a single geographical region, which is the People's Republic of China.

Geographical segment

RMB' million	FY2012	%	FY2011	%
PRC	902.4	64%	686.4	59%
Rest of Asia	304.5	21%	309.8	26%
America	107.8	8%	91.1	8%
Europe	44.6	3%	50.2	4%
Others	58.0	4%	37.6	3%
Total	1,417.3	100%	1,175.1	100%

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

See Para 8 above for factors leading to material changes in contributions to turnover and earnings.

16. A breakdown of sales as follows:-

Group	Year ended 31/12/2012 RMB' million	Year ended 31/12/2011 RMB' million	Change
(a) Sales reported for first half year	687.3	569.0	21%
(b) Operating profit after tax before deducting minority interests reported for first half year	27.1	50.2	(46%)
(c) Sales reported for second half year	730.0	606.1	20%
(d) Operating profit after tax before deducting minority interests reported for second half year	4.9	49.2	(90%)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	FY2012 S\$	FY2011 S\$
Ordinary Shares	4,655,040	4,758,700
Preference Shares	-	-
Total:	4,655,040	4,758,700

*Based on number of Ordinary Shares (excluding Treasury Shares) as at 31 January 2013

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director, chief executive officer or substantial shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Xu Cheng Qiu	69	(i) Father of Xu Jun, Executive Director and Deputy General Manager (Management and Operations) (ii) Father of Xu Chi, Assistant General Manager of Projects Construction	Executive Chairman Responsible for the overall management, formulation and implementation of business strategies for the Group (since 2006)	No Change
Xu Jun	43	(i) Son of Xu Cheng Qiu, Executive Chairman and Substantial Shareholder (ii) Brother of Xu Chi, Assistant General Manager of Purchasing Department	Executive Director and Deputy General Manager (Management and Operations) Responsible for overseeing the overall management and operations of the Group's Facility 2 located at the Shanxian Economic Development Zone (since 2007)	No Change
Xu Chi	39	(i) Son of Xu Cheng Qiu, Executive Chairman and Substantial Shareholder (ii) Brother of Xu Jun, Executive Director and Deputy General Manager (Management and Operations)	Assistant General Manager of Purchasing Department (since 2011)	Since 2010, he was the Assistant General Manager of Projects Construction Responsible for managing construction of projects

BY ORDER OF THE BOARD

Xu Cheng Qiu
Executive Chairman
1 March 2013